

AMENDED IN ASSEMBLY APRIL 28, 2003

AMENDED IN ASSEMBLY APRIL 7, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 706**

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**Introduced by Assembly Member Maldonado**

February 19, 2003

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An act to add Section 61600.3 to the Government Code, relating to community services districts.

### LEGISLATIVE COUNSEL'S DIGEST

AB 706, as amended, Maldonado. Community services districts.

Existing law provides for the formation of community services districts that are authorized to provide designated services.

This bill would additionally permit any community services district that is authorized to collect, treat, or dispose of sewage, waste, and stormwater and that is required by law or a state agency to construct or improve sewer facilities to borrow money for the purpose of making loans to property owners within the district to fund sewer improvements on their private property related to the required sewer construction or improvements of the district. The bill would authorize the district to have debt payments or any delinquency collected with property taxes and to secure the loan by recording a lien, as specified.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

*The people of the State of California do enact as follows:*

SECTION 1. Section 61600.3 is added to the Government Code, to read:

61600.3. A district that is authorized to collect, treat, or dispose of sewage, waste, and stormwater pursuant to subdivision (b) of Section 61600 and that is required by law or a state agency to construct or improve sewer facilities may borrow money from public or private lenders for the purpose of making loans to property owners within the district to fund sewer improvements on their private property related to the construction or improvements the district is required to construct. The district shall lend money for this purpose at rates not to exceed its cost of borrowing and the district's costs of making the loans. The district may require that the borrower pay the district's reasonable attorney's fees and administrative costs in the event the district is required to take legal action to enforce the provisions of the contract or note securing the loan.

The district may elect to have the debt payments or any delinquency collected on the tax roll pursuant to the procedures in Section 61621.2.

~~The district may secure, at any time, the loan and interest by filing for record in the office of the county recorder, a certificate specifying the amount of the loan plus interest, a description of each parcel of private property to be improved, and the name and address of the property owner. The lien created by recording the certificate shall be superior in priority to all private liens or encumbrances of whatever character, whether recorded prior or subsequent in time.~~

~~The procedures for collection and enforcement are cumulative and may be pursued alternatively as the district determines.~~

*In order to secure the loan as a lien on real property, the district shall follow the procedures for the creation and recordation of special tax liens in Section 53328.3 of this code and Section 3114.5 of the Streets and Highway Codes.*